

Message Text

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21

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 ABF-01 OMB-01

STR-04 TAR-01 CIAE-00 INR-07 NSAE-00 CIEP-02 /034 W

----- 114079

R 170937Z FEB 76

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 204

INFO AMCONSUL JERUSALEM

AMEMBASSY AMMAN

UNCLAS TEL AVIV 1141

E.O. 11652: NA

TAGS: EFIN, IS

SUBJ: GOI RAISES EXPORT REBATES AND TRAVEL TAX

REFS: A) 75 TEL AVIV A-188; B) TEL AVIV 0382

1. FEB 16, GOI ANNOUNCED NEW SERIES OF MEASURES DESIGNED TO ENCOURAGE EXPORTS AND DISCOURAGE IMPORTS. MEASURES INCLUDE: (A) INCREASE IN EXPORT REBATE TO MAXIMUM IL 2.03 FROM IL 1.85 PER DOLLAR. REBATE WILL BE LINKED TO DOLLAR BEGINNING APRIL 1 AND WILL INCREASE BY APPROXIMATELY IL 0.4 WITH EACH TWO PERCENT MINI-DEVALUATION (REF A); (B) INCREASE IN LUMP SUM TRAVEL TAX TO IL 1,000 (FROM IL 750); 15 PERCENT TAX ON VALUE OF ROUND TRIP TICKET REMAINS UNCHANGED; (C) NEW 15 PERCENT TAX ON IMPORTED SERVICES AS WELL AS ON FOREIGN CURRENCY ALLOWANCE (MAXIMUM \$450) FOR ISRAELI TRAVELERS. FOREIGN CURRENCY ALLOWANCE FOR TRAVELING CHILDREN REDUCED FROM \$350 TO \$150; AND (D) RESIDENTS OF "ADMINISTERED TERRITORIES" DEPARTING THROUGH ISRAELI PORTS OR AIRPORT HENCEFORTH MUST PAY TRAVEL TAX. HOWEVER, IF THEY DEPART THROUGH THE JORDAN BRIDGES, THEY WILL BE EXEMPT FROM TRAVEL TAX BUT WILL NOT BE ELIGIBLE FOR FOREIGN CURRENCY ALLOWANCE (REF B).

2. GOI ANNOUNCED THAT THESE MEASURES WERE TAKEN IN ORDER TO:

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(A) EQUALIZE COST FOR SERVICE IMPORTS WITH THAT OF COMMODITY

IMPORTS; (J) MAKE SERVICE IMPORTS LESS ATTRACTIVE; (C) ABSORB
PURCHASING POWER AND THEREFORE HELP DAMPEN INFLATION; AND (D)
MAKE IT UN-PROFITABLE FOR TRAVELERS TO PURCHASE FOREIGN
CURRENCY FROM GOVERNMENT AND SELL IT ON BLACK MARKET.
TOON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Draft Date: 17 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Film Number: D760058-0832
From: TEL AVIV
Handling Restrictions: n/a
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Margaret P. Grafeld
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04 MAY 2006

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